



***Kansas Renewable Energy Conference
ITC Great Plains' Transmission Plans
October 6, 2009***

ITC Great Plains' Vision



“ITC Great Plains seeks to facilitate and participate in transmission infrastructure improvement in the Great Plains region and to partner with the local stakeholders to bring indentified and much needed projects into service which will provide for reliable, non-discriminatory, and low-cost energy procured through competitive wholesale markets.”

ITC Great Plains Overview



- ◆ ITC Great Plains focuses on ownership, operation, maintenance, and construction of transmission facilities as a single line of business
 - No internal competition for capital – it is dedicated for prudent transmission investment
 - Singularly focused on transmission and aims to bring significant benefits to customers
- ◆ Our Goals:
 - Improve reliability
 - Reduce congestion, improve efficiency
 - Increase access to generation, including renewable resources
 - Lower cost of delivered energy

Major Milestones



◆ 2006 – SPP Member

- ITC Great Plains became first independent transmission company *member* of SPP

◆ June 2007 – Public Utility in Kansas

- ITC Great Plains received Certificate of Public Convenience and recognition as a public utility with authority to own, operate and maintain bulk electric transmission functions in Kansas
- Docket No. 07-ITCE-380-COC

◆ March 2008 – CPC for KETA Project

- ITC Great Plains receives Certificate of Public Convenience for the Kansas portion of the 345 kV Spearville to Axtell, Nebraska – the “KETA project”
- Docket No. 08-ITCE-544-COC

◆ September 2008 – Public Utility in Oklahoma

- ITC Great Plains received approval to operate in Oklahoma as a transmission-only public utility
- Cause No. PUD 200700298

Major Milestones – Cont'd



- ◆ **March 2009 – FERC-approved Transmission Rates**
 - FERC approved ITC Great Plains rates and tariff sheets for inclusion in SPP OATT
 - Docket No. ER09-548

- ◆ **July 2009 – FERC Approves SPP Designation of ITC for Oklahoma Project (Hugo to Valliant)**
 - FERC issues Order Accepting Designee Qualifications and Novation Agreement whereby ITC Great Plains assumes Western Farmers' obligations and accepts Notice to Construct transmission line from Hugo, OK to Valliant, OK
 - First ever use of a novation agreement at SPP, which provides existing transmission owner with the ability to transfer its construction obligations to another entity pursuant to Section 3.3 of the SPP Membership Agreement and Attachment O of the SPP OATT
 - Docket No. ER09-1130

- ◆ **July 2009 – Siting Approval for Phase 1 of the KETA Project**
 - KCC approves ITC Great Plains' siting application for the first 89 miles of the KETA Project – Spearville to Hays, KS
 - Docket No. 09-ITCE-729-MIS

Major Milestones – Cont'd



◆ July 2009 – KCC Approval of ITC participation in Kansas V Plan

- KCC approves a settlement agreement and Certificate of Public Convenience for ITC Great Plains' participation in constructing, owning, and operating a portion of the Kansas V Plan, an 180 mile, 765 kV transmission expansion project in Kansas. ITC Great Plains agrees to build two of the three segments (including three new substations) – Spearville to Comanche County, KS and Comanche County to Medicine Lodge, KS. ITC Great Plains portion represents approximately \$430 million investment
- Docket No. 08-ITCE-936-COC

◆ August 2009 – Purchase of Transmission Assets in Kansas

- KCC issues Certificates of Public Convenience for ITC Great Plains' purchase of the Elm Creek (Cloud County) and Flat Ridge (Barber County) substations in Kansas. ITC Great Plains becomes "Transmission Owner" pursuant to SPP OATT
- Docket No. 09-ITCE-508-COC

KETA Project



KETA Project



- ◆ **KANSAS ELECTRIC TRANSMISSION AUTHORITY (KETA) PROJECT**
 - Length - 170 miles
 - Voltage - 345 kV
 - Cost - \$180 million (ITC Great Plains' portion equal to Kansas portion)
 - In service – 2012 (Spearville to Knoll Portion)
- ◆ Nebraska Public Power District to construct the additional 40 miles within Nebraska
- ◆ Included in STEP
- ◆ KETA identified project as most beneficial transmission addition for Kansas consumers and wind generators
- ◆ Aids in eliminating congestion on the Western Nebraska/Western Kansas interface
- ◆ Will benefit nearly 4,000 MW in the SPP generation interconnection queue

Kansas V-Plan



Kansas V Plan



- ◆ **KANSAS V PLAN (Northern portion of SPP's X plan)**
 - Length - 180 miles
 - Voltage – 765 kV
 - Cost - \$430 (ITC Great Plains' portion)
 - Estimate in service date - 2013
- ◆ Included in SPP's STEP and/or EVH overlay
- ◆ Improves reliability for western Kansas and facilitates development of 6000 MW of renewable energy
- ◆ ITC Great Plains to build two of the three segments (including three new substations)
 - Spearville to Comanche County, KS
 - Comanche County to Medicine Lodge, KS

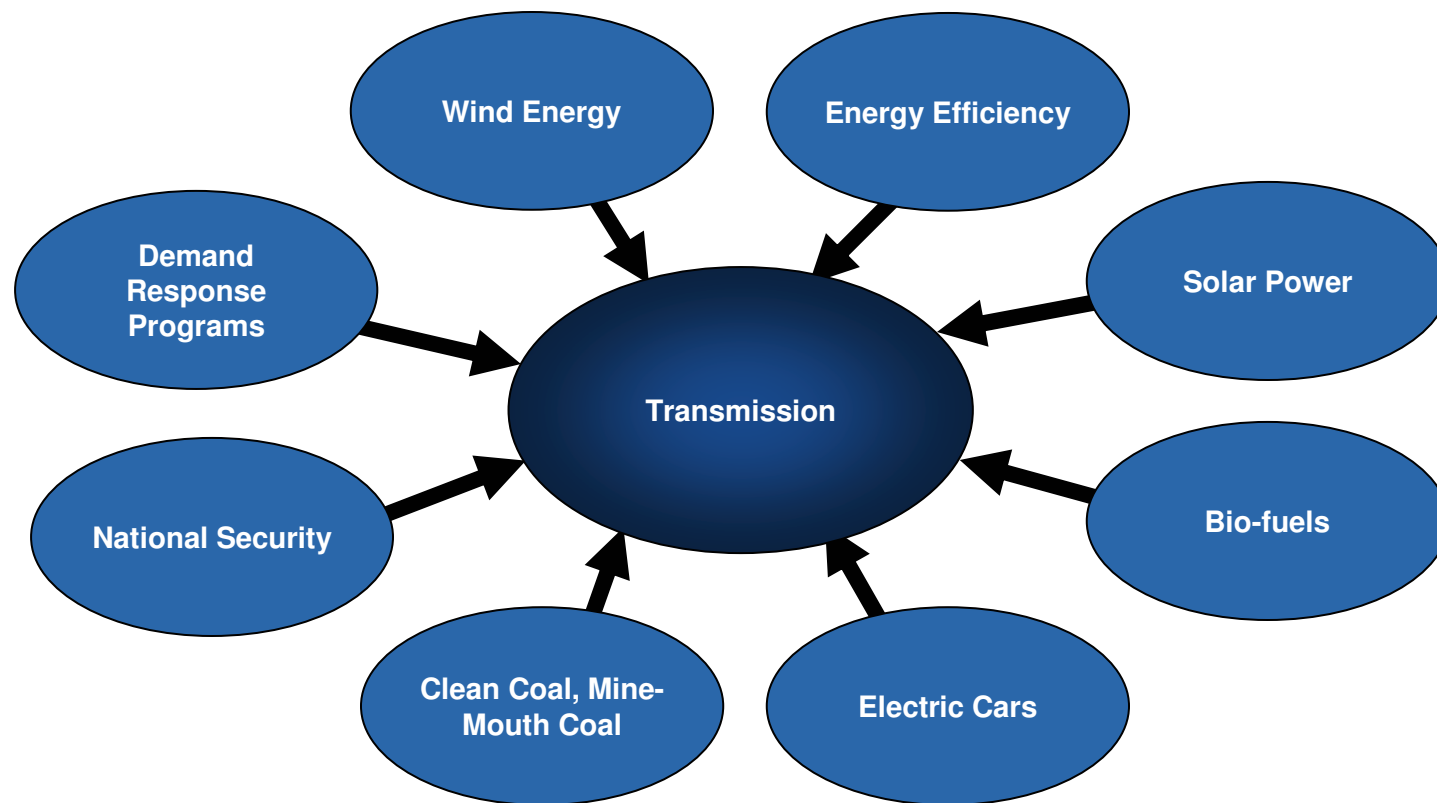
Oklahoma Hugo to Valiant Project



◆ HUGO TO VALIANT PROJECT

- Southeast Oklahoma
 - Length - 20 miles
 - Voltage - 345 kV
 - Cost - \$30 million
 - In service – 2012
- ◆ Originally SPP assigned transmission construction project to Western Farmers
 - ◆ Western Farmers subsequently designated ITC Great Plains to take over its construction and ownership obligations
 - ◆ FERC approved ITC Great Plains qualifications and designation to construct the project, and released Western Farmers from any future obligations for the project under the SPP OATT

Transmission as Facilitator



Transmission is at the center of the energy debate; it is the critical link to many of the energy policy visions.

ITC's Energy Policy Vision



- ◆ ITC has an energy policy vision that supports the following:
 - ***Independent planning authority that reports to FERC***
 - Sufficient scope and configuration
 - Membership is determined by geography and not by utility
 - Budget is paid for by planning assessment
 - ***Cost allocation***
 - Should be harmonized for all transmission investment
 - Costs should be recovered from entire region served by independent regional planning authority via postage stamp rates
 - ***Federal siting***
 - FERC should be given a more significant role in transmission siting
 - FERC could be given backstop authority to site transmission approved by the Independent Planning Authority if a state fails to act

The Final Message



- ◆ Transmission is the key to achieving our national energy vision
- ◆ Our nation's outdated electricity grid is letting us down
- ◆ We need to connect our nation's unlimited renewable energy to the homes and businesses that need and want it
- ◆ Transmission needs to be a market enabler and not just a necessary means to deliver bulk power from central generators to load centers – Transmission expansion is a must
- ◆ Industry, regulators, and policymakers must move towards encouraging independence, regional planning, and regional pricing as a means to provide a robust transmission system that enhances customer service and reliability
- ◆ Transmission is environmentally friendly which helps overcome “not in my backyard” syndrome



QUESTIONS?

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